

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6310**

**BILL NUMBER:** SB 116

**NOTE PREPARED:** Nov 17, 2006

**BILL AMENDED:**

**SUBJECT:** Police and Firefighter Maximum Hiring Age.

**FIRST AUTHOR:** Sen. Drozda

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill increases from less than 36 years of age to less than 40 years of age the maximum age for hiring police officers and firefighters.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** It is not known how many police officers and firefighters would be hired between the ages of 36 and 40 as a result of this proposal. However, the cost as a percent of salary of a first class officer will be higher for a member hired at age 40 than for a member hired at age 36. Specifically, the cost as a percent of salary of a first class officer would increase from 27.3% for a member hired at age 36 to 28.1% for a member hired at age 40. There is a cost decrease in retirement benefits, but this is expected to be more than offset by cost increases for disability benefits and death benefits.

**Explanation of Local Revenues:**

**State Agencies Affected:** Public Employees' Retirement Fund as administrators of the 1977 Police Officers' and Firefighters' Disability Fund.

**Local Agencies Affected:** Local Units with members in the 1977 Police Officers' and Firefighters' Disability Fund.

**Information Sources:** Doug Todd of McCready & Keane, Inc., actuaries for PERF, and the Police and Fire Funds, 317- 576-1508.

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